

**Enterprise Information Technology Financial Workgroup
Minutes
August 25, 2017
11:00 AM
Cogswell, Room 151**

Members Present:

Erica Johnston, DPHHS – Chair
Ron Baldwin, DOA/State CIO
Lynne Pizzini, DOA/CISO
Matt Van Syckle, DOA/CTO
Cindy Trimp, DOR
Natalie Smitham, DLI
Rhonda Schaffer, GOV

Jennie Stapp, MSL
Kreh Germaine, DNRC – Designee
☞ Brandi Pierson, SOS
☞ Dan Stanger, DOJ
☞ Kim Moog, DPHHS – Designee
☞ Teri Juneau, DOC – Designee

Staff Present: Wendy Jackson

Guests Present: Tami Gunlock, Samantha Cooley, Kari Hahn

☞ **Real-time Communication:**

Welcome

Erica Johnston welcomed the council to the August 25, 2017 Enterprise Information Technology Workgroup (EITFW) meeting. All members and guests were introduced.

Minutes

Motion: Cindy Trimp made a motion to approve the June 22, 2017 minutes. Tami Gunlock seconded the motion. Motion carried.

Business

Update to Information Technology Board (ITB)

Ron Baldwin informed the workgroup the Department of Administration (DOA) State Information Technology Services Division (SITSD) contracts process is being audited by the Legislative Audit Division (LAD). This audit will be reported to the legislature by the end of 2017. One issue highlighted by this audit concerns the statutory requirements for project reporting. According to statute, the ITB is the appropriate addressee for project reporting. As a result, SITSD will provide the ITB with the same level of project reporting that is provided to the Legislative Finance Committee (LFC). The overall cycle of planning and reporting will be coordinated to comply with statutory requirements. This report will be submitted to the ITB at the September 7, 2017 meeting.

Mr. Baldwin reviewed the Planning and Reporting Cycle. A draft of this cycle was distributed during the August 2, 2017 Information Technology Managers Council (ITMC) meeting. This document is being refined to ensure the timeline reflects what is dictated in statute and captures all reporting deadlines. This timeline will aid in increasing agency awareness and provide ample time for Agency Information Technology (IT) Plans to be coordinated with the State IT Plan.

Action Item: The EITFW will review the draft Planning and Reporting Cycle timeline and provide feedback to Mr. Baldwin.

Rates and Services Report to ITB

Ms. Gunlock reviewed the SITSD Rates and Service Report that will be presented to the ITB during the September 7, 2017 quarterly meeting. On January 13, 2017, the Joint Appropriations Subcommittee on General Government took executive action to accept SITSD's rates and to include boiler plate language of House Bill (HB) 2 to restrict the funding to SITSD for all agencies. The subcommittee also passed a motion to accept a 6% vacancy savings reduction in the internal service funds.

SITSD re-ran rates to include an additional 2% vacancy savings assessment to achieve the overall 6%. The 2% reduction affected rates with personal services costs attributed to them. Rates that require additional staff time were more heavily affected. SITSD's Fiscal Year (FY) 2018 budget was reduced by \$278,630, and FY 2019 budget was reduced by \$341,963. Service utilization stayed the same. Agency budgets remained intact except for the reduction to effected service rates.

Additional rate changes included consolidation of backup and backup archive rates and standardization of professional services hourly rates. Professional services rates previously included several variations, based on the area of expertise. Variations in professional services rates resulted in confusion on the part of customers. To alleviate this confusion, a division wide rate was established using a weighted average, excluding Application Development and Database Administrator (DBA) Professional Services. The professional services rate for expert time was changed to \$140.00/hour for all bureaus. The Application Development and DBA Professional Services rates remains at \$120.00/hour.

The cost of the Voice over Internet Protocol (VoIP) service is budget neutral to agencies that select the 9611G model phones. VoIP billing will be a bundled rate, combining all voice services including the cost of phones, dial tone charges, and voicemail fees. Long distance charges will not be included in the bundled VoIP rate but will continue to be billed separately. Phone model options include the 9641GS model at a rate of \$25.47 per month and the budget neutral 9611G model at a rate of \$19.97 per month. The decision brief regarding VoIP billing is located on the EITFW SharePoint site located at <https://ent-sp1.mt.gov/sites/eitfw/SitePages/Home.aspx?RootFolder=%2Fsites%2Feitfw%2FEnterprise%20IT%20Financial%20Workgroup%20Documents%2FCompleted%20Decision%20Briefs&FolderCTID=0x0120000538755D9214BB409E5D4E73ABE7A5F4&View=%7BC230FF58%2D35FC%2D4853%2D8BD6%2D8AB92509A360%7D>.

Matt Van Syckle informed the workgroup long distance charges will continue to be applied to calls placed within the state of Montana until the VoIP system can be rolled out across the state.

Standing Reports

Enterprise Service

Mr. Baldwin stated no enterprise level services are being considered at this point. Agencies who wish to have a service considered at an enterprise level should present this request to the EITFW.

Wide Area Network (WAN) Circuit Passthrough Discussion

Mr. Van Syckle stated the list of agency locations that have previously budgeted for circuit upgrades include; Department of Natural Resources and Conservation (DNRC) sites in Olney and Anaconda, Department of Public Health and Human Services (DPHHS) Great Falls, Haver, Billings, and Wolf Point locations, Department of Corrections (COR) Montana State Prison, and 10 district offices for the Montana Department of Transportation (MDT). These location upgrades will be added to the WAN Circuit upgrade prioritization list. SITSD will cover additional equipment upgrade costs for sites previously budgeted for circuit upgrades. Going forward, SITSD will cover equipment costs for additional site upgrades.

Mr. Van Syckle commented some agency locations are closing and will not require upgrades. SITSD is requesting agencies provide recommendations regarding specific sites that may not require circuit upgrades. Mr. Van Syckle informed the workgroup that changes made to the WAN Circuit upgrade procedure have resulted in a \$70,000 decrease on installation costs.

Action Item: Mr. Van Syckle will present the WAN Circuit upgrade priority list to the EITFW during the September 19, 2017 meeting.

Action Item: Mr. Van Syckle will provide a list of unsupported technology requiring upgrades to EITFW during the September 19, 2017 meeting.

Action Item: Mr. Van Syckle will provide guidance to agencies and the EITFW regarding budgeting for future equipment upgrades in January 2018.

Action Item: Mr. Van Syckle will present SITSD's request for agencies to provide guidance regarding sites that do not require upgrading at the September 6, 2017 ITMC meeting.

Action Item: Mr. Van Syckle will present additional cost savings resulting from WAN Circuit Upgrade changes during the September 19, 2017 EITFW meeting.

Kreh Germaine voiced concern regarding loss of control for agencies regarding circuit upgrades.

Q: Mr. Germaine: Will there be a report presented to the EITFW to facilitate transparency in the tracking and reinvestment of savings generated from the new WAN Circuit Upgrade model?

A: Ms. Johnston: The expectation is the WAN Circuit Upgrade will be a standing report in EITFW meetings to provide information regarding upgrade projects, prioritization of upgrades, savings generated, and reinvestment of savings.

Mr. Van Syckle is exploring the best delivery model to highlight this information.

Mr. Van Syckle informed the workgroup much of the savings generated by this model will be realized in the form of remaining within budget, as many agencies do not have the funds to cover WAN Circuit upgrades. This will provide agencies with upgraded technology, which will allow them to meet their business function. Cost savings will be tracked to assess the value of this model at one-year post-implementation. The average bandwidth per employee will also be tracked to assess the value of this model.

Q: Mr. Germaine: How will prioritization of circuit upgrades be communicated to agencies not represented in the EITFW?

A: Mr. Van Syckle: The initial priority is to move off the outdated, unsupported circuits. These upgrades will not affect agency budgets as this cost will be covered by SITSD.

Mr. Germaine requested the WAN Circuit upgrade project charter, plan, and prioritization list be presented to the ITMC.

Action Item: Ms. Johnston will work with Mr. Van Syckle to develop a format to communicate cost avoidance and transparency in the most efficient manner.

Action Item: Ms. Johnston and Mr. Van Syckle will review the cost avoidance and transparency report with the EITFW to solicit feedback and suggestions.

Action Item: Ms. Johnston and Mr. Van Syckle will present WAN Circuit upgrade updates at the September 6, 2017 ITMC meeting.

Next Meeting

September 19, 2017

1:00 PM to 2:00 PM

Cogswell Building, Room 151

Adjournment

The meeting adjourned at 11:53 AM.